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UNION PACIFIC RAILROAD COMPANY

LAW DEPARTMENT
101 NORTH WACKER DRIVE, SUITE 1920
CHICAGO, ILLINOIS 60606
FAX NO. 312-777-2065

RONALD J. CUCHNA
GENERAL SOLICITOR
312-777-2040

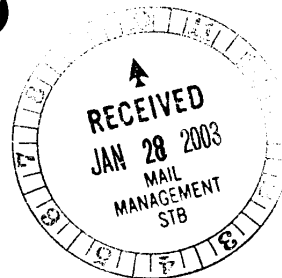


GEORGE H. BRANT
312-777-2051
MACK H. SHUMATE, JR.
312-777-2055
DANIEL R. LA FAVE
312-777-2046
LINDA J. COYLE
312-777-2056
THOMAS W. CUSHING
312-777-2053
FREDERICK P. JOHNSTON, JR.
312-777-2047

January 27, 2003

VIA UPS NEXT DAY

Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 "K" Street, N.W., Room 504
Washington, DC 20423-0001



RE: Docket No. Ab-33(Sub-No. 197X), Union Pacific Railroad Company -
Abandonment Exemption - In Santa Clara County, CA (San Jose Industrial
Lead) from M.P. 19.60 near Valbrick to M. P. 22.45 near Cahill, a
Distance of 2.85 Miles

Dear Mr. Williams:

The Union Pacific Railroad Company has received a request from the City of San Jose, California, for a Notice of Interim Trail Use pursuant to 16 U.S.C. § 1247(d) and 49 C.F.R. § 1152.29 regarding that portion of the Union Pacific's right-of-way known as the San Jose Industrial Lead from M.P. 20.94 near Minnesota Street to M.P. 21.9 near Lonus Street in the City of San Jose, Santa Clara County, California. The Union Pacific is willing to negotiate with the City of San Jose concerning the acquisition of the subject property for trail use and supports the City of San Jose's request to negotiate for a period of 180 days. A copy of the City of San Jose's request is attached hereto as Exhibit "A" and hereby made a part hereof. This request does not include the entire line, which is the subject of this abandonment proceeding.

Ten (10) additional copies of this letter and exhibit are enclosed for the Board's use and distribution.

Sincerely yours,

Mack H. Shumate, Jr.

Mack H. Shumate, Jr.
Senior General Attorney

Enclosures

cc:

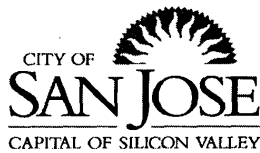
Ray Allamong, Room 1110
Norm Siler, Room 930
Lynda Prucha, Room 810
Dave Thatcher, WP001
Mike Casey, Sacramento, CA

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Office of Proceedings

JAN 28 2003

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Parks, Recreation and Neighborhood Services

RECEIVED

DEC 27 2002

**LAW DEPARTMENT
UNION PACIFIC RR CO.**

December 23, 2002

Mack H. Shumate Jr,
Senior General Attorney
101 North Wacker Drive, Room 1920
Chicago, IL 60606

Dear Mr. Shumate:

Enclosed you will find a Petition to the Surface Transportation Board requesting issuance of a Public Use Condition as well as an Interim Trail Use Condition rather than an outright abandonment authorization of Union Pacific's rail line from M.P. 20.9 to 21.9.

As indicated in the Petition, the City of San Jose has had preliminary discussions with your local representative, Rich Gooch. He has indicated a willingness on behalf of Union Pacific to support our Petition. Our intent is to utilize the property to make the connection between the Los Gatos Creek Trail and the Coyote Creek Trail here in San Jose.

If you have any questions, please do not hesitate to contact my staff person, Cynthia Bojorquez. She can be reached via phone at 408.277.3112 or email at Cynthia.bojorquez@pacbell.net.

Sincerely,

Sara. L Hensley
Director, Parks
Recreation & Neighborhood Services

Attachment



December 23, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K St., NW, Rm 711
Washington, DC 20423

Re: Union Pacific Railroad-Abandonment Exemption in Santa Clara County, California
Docket No. AB_33_197_X

Dear Mr. Williams:

This request is filed on behalf of the City of San Jose which is a government agency interested in transportation and open space issues, hereinafter referred to as "proponent." Proponent requests issuance of a Public Use Condition as well as an Interim Trail Use Condition rather than an outright abandonment authorization between M.P. 20.94 near Minnesota to M.P. 21.9 near Lonus. Proponent has had initial discussions with the local Union Pacific Railroad representative, Mr. Rich Gooch. Mr. Gooch has indicated a willingness on the part of Union Pacific to support Proponent's request.

A. Public Use Condition

Proponent asks the STB to find that this property is suitable for other public use, specifically trail use and to place the following conditions on the abandonment:

1. An order prohibiting the carrier from disposing of the corridor, other than the tracks, ties and signal equipment, except of public use on reasonable terms. The justification for this condition is that the rail corridor will enable the City to connect the Coyote Creek Trail to the Los Gatos Creek trail, thereby greatly enhancing both the recreational and transportation uses of the trail. In addition, the corridor provides a linkage to a large regional park (Happy Hollow Park and Zoo, and provides important wildlife habitat and open space in an area of the City that is currently underserved. The time period sought is 180 days from the effective date of the abandonment authorization. Proponent needs this much time because we have not had the opportunity to complete negotiations with the carrier and are attempting to secure the required funding to purchase the line.

2. An order barring removal or destruction of potential trail-related structures such as bridges, trestles, culverts and tunnels. The justification for this condition is that these structures have considerable value for recreational trail purposes. The time period requested is 180 days from the effective date of the abandonment authorization for the same reason as indicated above.

B. Interim Trail Use

The railroad right-of-way in this proceeding is suitable for railbanking. In addition to the public use conditions sought above, Proponent also makes the following request:

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY

In order to establish interim trail use and rail banking under section 8(d) of the National Trails System Act, 16 U.S.C. §1247(d), and 49 C.F.R. §1152.29, the City of San Jose is willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of, and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned and operated by Union Pacific Railroad.

The property, known as the San Jose Industrial Lead extends from railroad milepost 20.9 near Minnesota to railroad milepost 21.9 near Lonus in Santa Clara County, California. The right-of-way is part of a line of railroad proposed for abandonment in STB Docket No. AB-33 (Sub No. 197x).

A map depicting the right-of-way is enclosed.

The City of San Jose acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service.

By my signature below, I certify service upon Mack H. Shumate, Jr, Senior General Attorney, 101 North Wacker Drive, Room 1920, Chicago, IL 60606 by U.S. Mail, postage prepaid, first class, this 23th day of 2002.

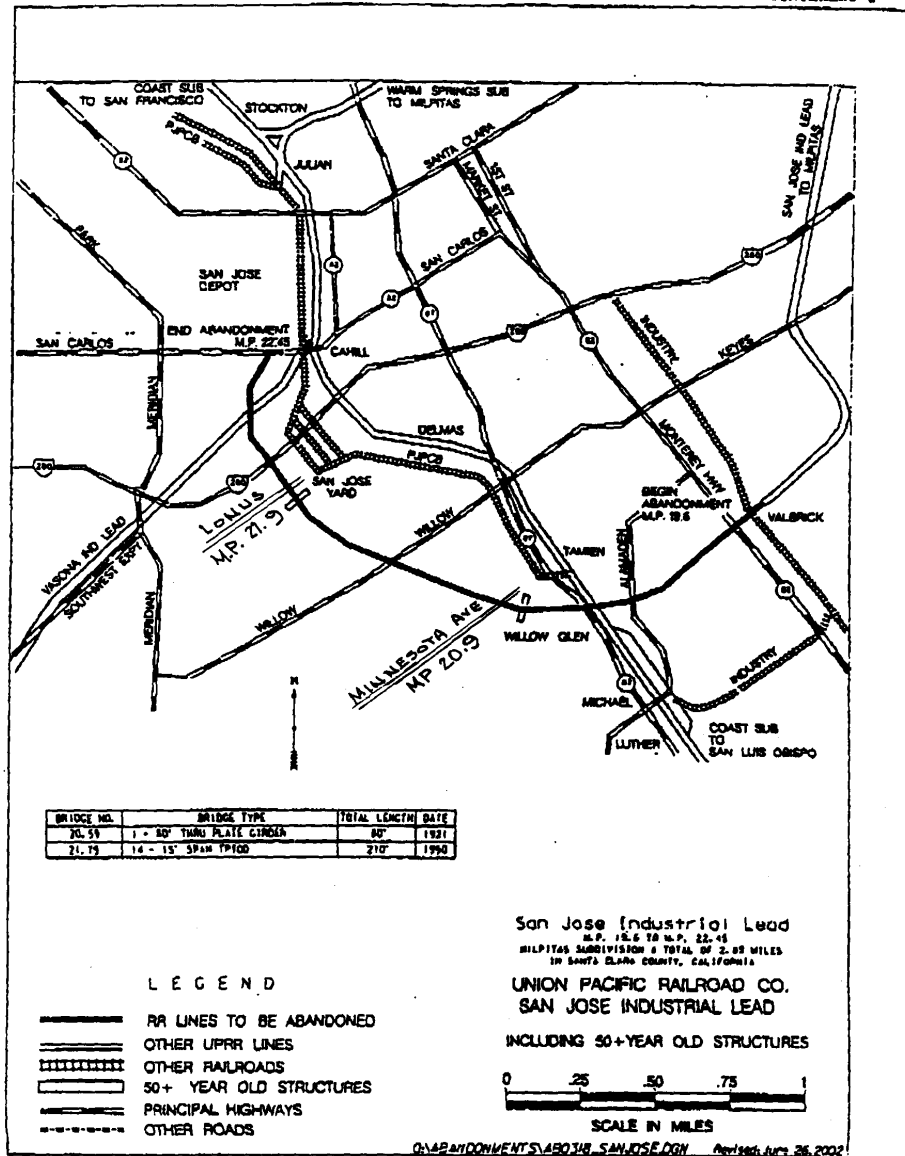
Respectfully submitted,



Del D. Borgsdorf
City Manager
on behalf of: City of San Jose, California

Enclosure - Map

Enclosure - Filing Fee



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